Prevention of Hawala Transactions

217. SHRI C. RAMACHANDRIAH: Will the Minister of FINANCE be pleased to state:

(a) whether the Government are aware that hawala route transactions have created a parallel banking system;

(b) whether it is a fact that gangsters, exporters and expatriates terrorists are living up to raise funds through this illegal system; and

(c) if so, what are the preventive measures Government have initiated to arrest this?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI GINGEE N. RAMACHANDRAN): (a) to (c) The Enforcement Directorate of the Ministry of Finance is aware of sporadic instances of money transactions through hawala. Constant vigil is maintained on suspected hawala operators, and action is taken as per law on receipt of specific information against gangsters, exporters and expatriates indulging in such activites.

Unemployment due to implementation of ERC

218. PROF. A. LAKSHMISAGAR: Will the Minister of FINANCE be pleased to state:

(a) whether with the implementation of the recommendations of the Expenditure Reforms Commission, lakhs of Government employees are likely to lose their jobs;

(b) if so, the estimated number of Government employees likely to be affected with implementation of the recommendations of the Expenditure Reforms Commission;

(c) the manner in which Government propose to implement the recommendation of the ERC; and

(d) the unemployment likely to be generated as a consequence thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) to (d) The recommendations of the Expenditure Reforms Commission relating to rightsizing of the Government machinery, have been forwarded to the concerned Ministries/Departments for appropriate action and are under various stages of implementation. The actual

details of posts abolished based on the recommendations of the Expenditure Reforms Commission would be known only thereafter. The savings likely to be made on account of rightsizing of the Government machinery would help generate funds for productive expenditure, leading to creation of employment avenues elsewhere.

Downsizing of Government as per recommendation of ERC

219. DR. ALLADI P. RAJKUMAR: Will the Minister of FINANCE be pleased to State the progress made so far in cutting 5 lakh Government jobs as recommended by the Expenditure Reforms Commission?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): The staff strength of the 36 Ministries/ Departments specifically studied by the Expenditure Reforms Commission is about 8 lakhs and once their recommendation is fully implemented, it could lead to a reduction by 1.2 lakhs in these Ministries.

Appropriate decisions on the recommendations of the Expenditure Reforms Commission, in so far as these relate to rightsizing of the Government machinery, would be taken by the respective Ministries having regard to all relevant factors. The exact details of posts likely to be abolished would be known only thereafter.

Reduction of customs duty on aluminium products

220. DR. ALLADI P. RAJKUMAR: Will the Minister of FINANCE be pleased to state:

(a) whether manufacturers of aluminium products are in serious crisis in view of high price of aluminium;

(b) whether Government would recommend the need for reduction/ abolition in customs duty to help the manufcturers and ailing units; and

(c) if so, the action taken in the matter?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI GINGEE N. RAMACHANDRAN): (a) It is not correct to say that manufacturers of aluminium products are in serious crisis in view of high price of aluminium.

(b) and (c) The import duty rate are determined keeping in view several